

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

September 22, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 06KD-036

Kauai

Issuance of Revocable Permit to Eric and Gracinda Ishida,
Kapaa Homesteads 1st & 3rd Series, Kawaihau, Kauai, Tax Map
Key: (4) 4-6-08:portion 30 which abuts parcel 67.

APPLICANT:

Eric Ishida and Gracinda Ishida, husband and wife, Tenants by the
Entirety, whose mailing address is 6471 Kahuna Road, Kapaa, HI
96746.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kawaihau situated at Kapaa
Homesteads 1st & 3rd, Kawaihau, Kauai, identified by Tax Map Key:
(4) 4-6-08:portion 30 which abuts parcel 67, as shown on the
attached maps labeled Exhibit A & A1.

AREA:

208 square feet, more or less.

ZONING:

State Land Use District: Agricultural
County of Kauai CZO: Open

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: NO

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Landscaping and maintenance purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

\$40.00 per month, based on staff appraisal dated June 14, 2006, attached as Exhibit B.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

DCCA VERIFICATION:

Not applicable as applicant is not operating a business, and such, not required to register with DCCA.

REMARKS:

Applicant is the owner of TMK: (4) 4-6-008:067 which abuts a portion of a State owned abandoned irrigation ditch right-of-way identified by TMK (4) 4-6-008:030. This abandoned irrigation ditch was formally used by East Kauai Water Company to bring

water to sugarcane land cultivated by the Lihue Plantation Co. Ltd. The irrigation ditch is now out of use and abandoned with the closure of Lihue Plantation. These right-of-ways are now interrupted by the residential development of land and border multiple private parcels.

Purchasing this abandoned irrigation ditch right-of-way as a remnant was not financially feasible for applicant given today's market price and costs involved in appraisal, surveyor, and consolidation process. Applicant is only interested in maintaining and landscaping a portion of this parcel which borders his property to the rear. This remnant portion of the ditch is a triangulation parcel containing an area of 208 square feet. Because of the location of the remnant parcel it will be a maintenance problem for the Division due to the non-accessibility to this parcel. The only access for maintenance would be through the Ishida property. We will have to purchase an access easement for maintenance purpose from the Ishidas. The Revocable Permit would put the maintenance of this parcel on the Ishidas. By letter dated August 25, 2006, the applicants are requesting a reduced rent of \$14.00 per month, attached as Exhibit C.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Agency comments were solicited from:

County of Kauai Planning Dept. - No Objections

County of Kauai Public Works - Concerned about debris blockage.

Office of Hawaiian Affairs - No Comment

State Historic Preservation Division - No historic properties
will be affected.

State Water Resources Management - No Comment

East Kauai Water User's Cooperative - No Response

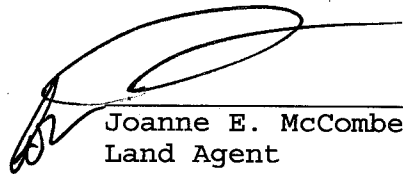
RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to Eric Ishida and Gracinda Ishida covering the subject area for landscaping and maintenance purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current

revocable permit form, as may be amended from time to time;

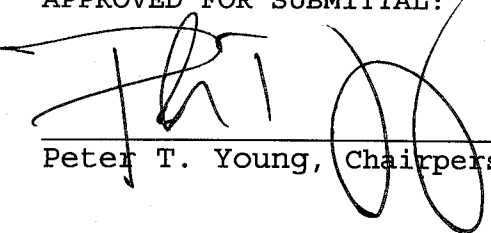
- b. Review and approval by the Department of the Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Establish the rent at \$14.00 per month.

Respectfully Submitted,



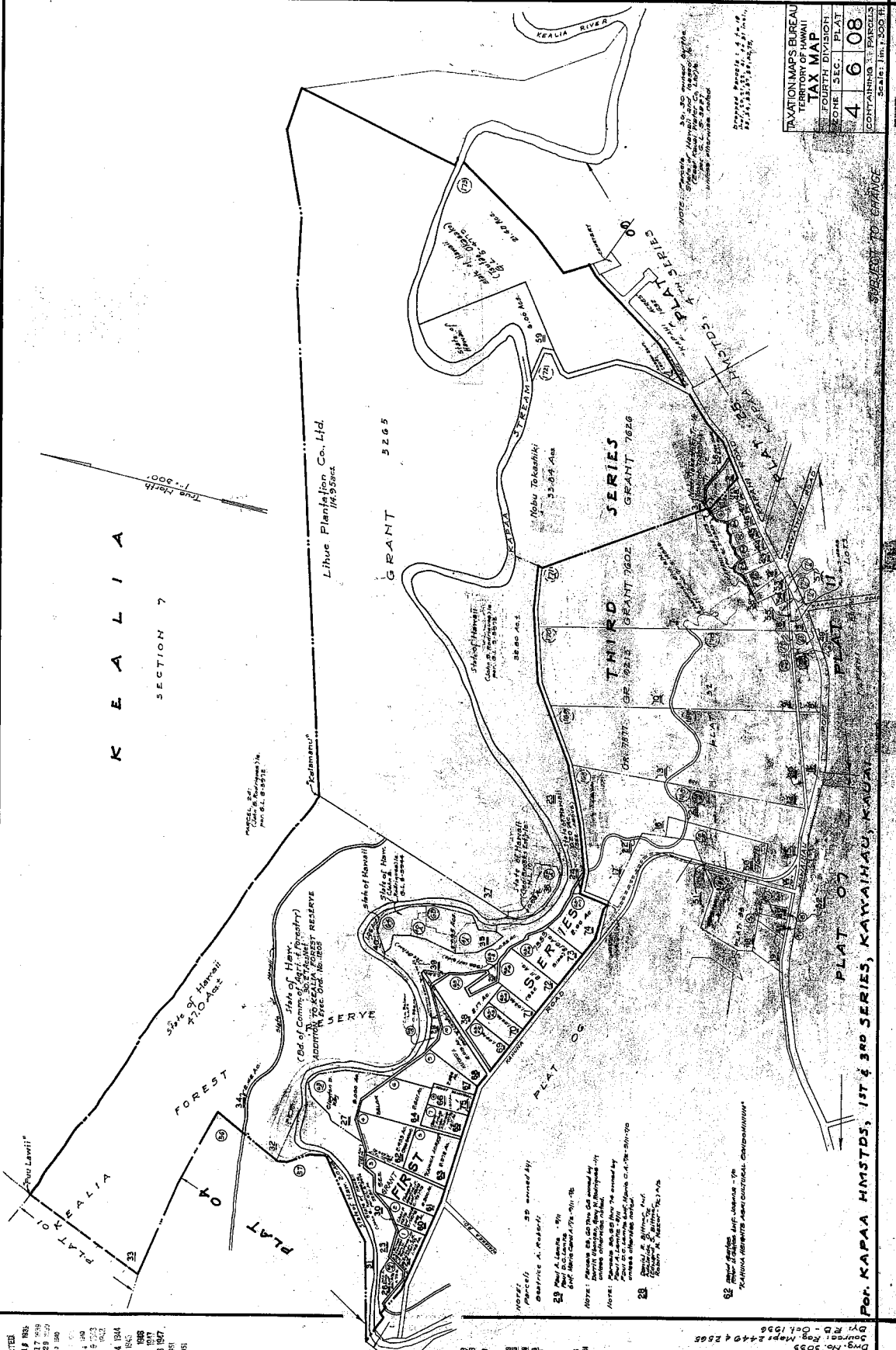
Joanne E. McComber
Land Agent

APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson

SECTION 7



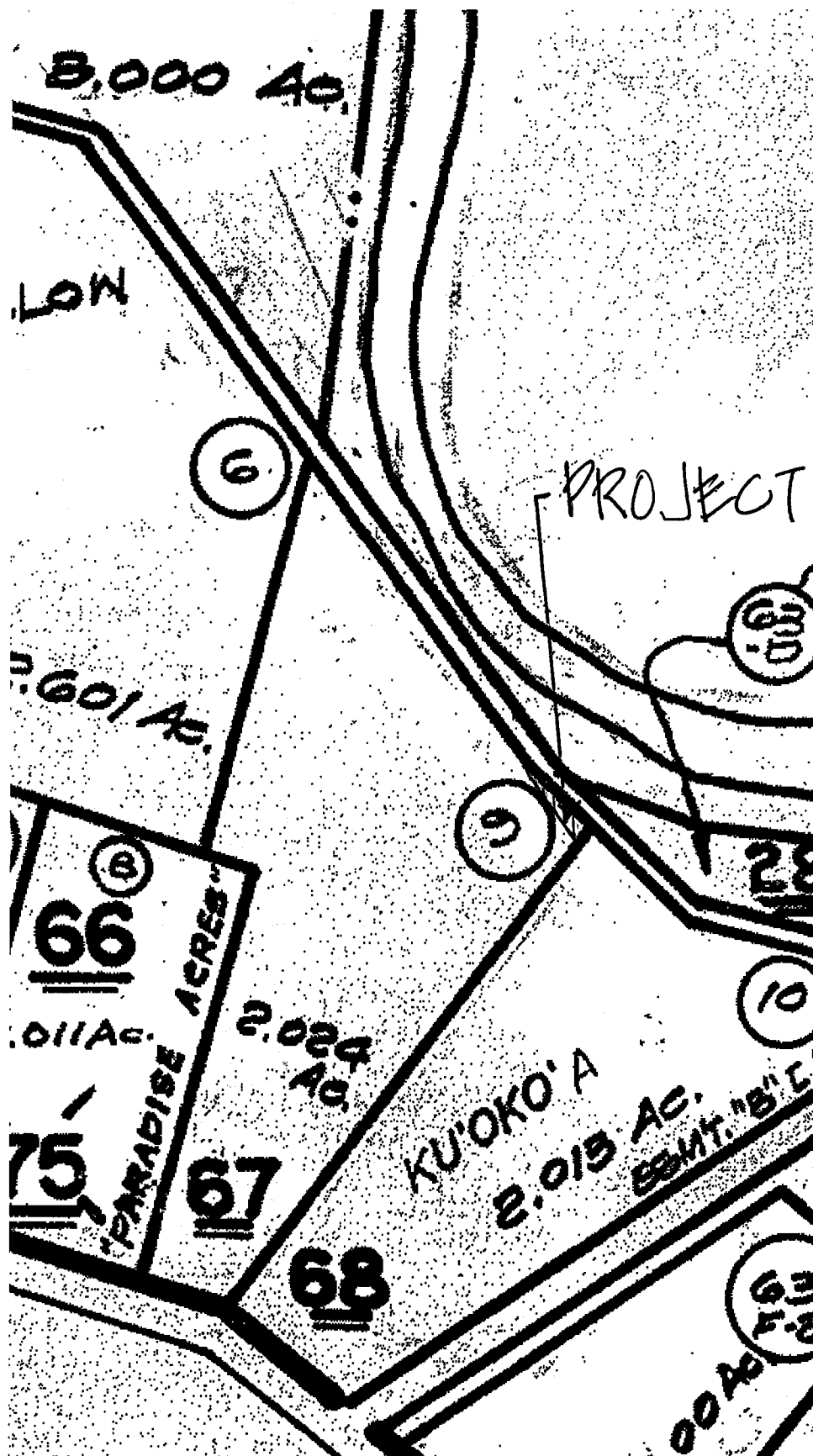
POB. KAPAA HMSTDS, 1ST & 3RD SERIES, KAWAIIAN, KAUAI

SUBJECT TO CHANGE

Summary:

10

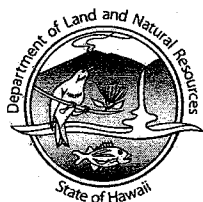
Exhibit A



PROJECT LOCATION

"Exhibit A1"

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

June 14, 2006

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR

DEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

MEMORANDUM

TO: Peter T. Young, Chairperson

THROUGH: Russell Y. Tsuji, Land Division Administrator

FROM: Cyrus C. Chen, Real Estate Appraisal Manager *Cyrus Chen*

SUBJECT: In-House Valuation Recommendation – Revocable Permit for Landscaping and Maintenance Purposes

PSF No.: 06KD-036
Applicant: Eric & Gracinda Ishida
Location: Kapaa Homesteads 1st & 3rd Series, Kawaihau, Kauai
Land Area: 208 sq. ft. (0.0048 ac.)
Tax Map Key: (4) 4-6-08: 30 por.
Char. of Use: Landscaping and maintenance

We have been requested to provide a monthly rent amount for the issuance of a revocable permit for landscaping and maintenance purposes on the above-referenced property. This rent amount will be included in staff's submittal to the Board for approval of this permit and will not be effective unless such approval is received.

Staff researched landscaping RP's on Kauai and the three most recent ones were issued in 2002. Two were chosen to be the most comparable as one was also used for parking and signage. Based on recent permits for similar characters of use in the area, we calculate the monthly rent as follows:

| <u>Doc. No.</u> | <u>Monthly Rent</u> | <u>Acreage</u> |
|-----------------|---------------------|----------------|
| RP No. S-7284 | \$15 | 0.023 |
| RP No. S-7302 | \$13 | 0.344 |

PM1:16:35

The average of the two comparable permits is \$14 per month. On May 13, 2005, the Land board, under agenda item no. D-19, approved a Minimum Rent Policy for New Dispositions which stipulated that the minimum monthly rent for new dispositions would be \$40 or \$480 per year.

JUN 22 '06

"Exhibit B"

DLNR KDLO RCVD

Therefore, as of June 14, 2006, the monthly market rent for the revocable permit to Eric and Gracinda Ishida is recommended to be \$40 per month.

Special Assumptions and Limiting Conditions

- 1) This document does not take the place of an appraisal and does not constitute an appraisal which adheres to the Uniform Standards of Professional Appraisal Practice.
- 2) Neither the subject property nor any comparable permit properties were inspected by the staff appraiser.

Approved/Disapproved:



Peter T. Young, Chairperson

JUN 21 2006

Date

cc: District Branch Files
Central Files

Eric & Gracinda Ishida
6471 Kahuna Road
Kapaa, Hawaii 96746
808-822-5750

August 25, 2006

STATE OF HAWAII
Department of Land and Natural Resources
Land Division
3060 Eiwa Street, Room 306
Lihue, Hawaii 96766

Attn: Mr. Tom Oi
District Land Agent

Re: Lease of Remnant State Land
TMK: (4) 4-6-08: Por. 30, Kapaa Hmstds, 1st and 3rd Series
PSF #06KD-036

Dear Mr.Oi:

As you know, we are interested in leasing the 208 SF portion of state land directly abutting our property TMK# (4) 4-6-08-67. We are willing to pay \$14.00 per month to lease this portion of land from the state but not \$40.00. In our opinion, \$40.00 seems excessive considering the following circumstances:

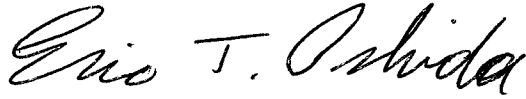
- 1) We are leasing only a 208 SF piece of property. This is a very small land area and would not benefit us in any way except for landscaping.
- 2) We do believe that by us taking responsibility of maintaining that 208 SF portion of land, we would be saving you a lot of time, effort and cost. If you were to hire a professional to maintain that 208 SF land area or have a state employee maintain it every month, the state would be paying a lot more than \$40 per month to maintain this area.
- 3) As local residents, born and raised on Kauai, we feel that the state could at the very least show courtesy to locals that care about the land, who are willing to maintain the land at their OWN expense. To try to lease this land area to us for more than \$14.00 per month is above our means and is not worth it for us.
- 4) We are aware that there are existing leases with the state, for larger land areas that are charged less than \$40 per month. I realize that these leases were negotiated prior to the \$40 per month minimum rule went into effect but the state could at least go on a case by case basis, especially considering the very small land area of 208 SF that we are interested in leasing.

"Exhibit C"

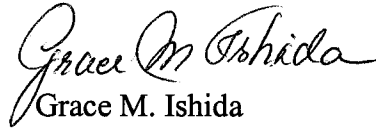
- 5) We are not using this land area for any financial gains or means. No money will be made off this 208 SF on our part. We just want to preserve that area and maintain it for landscaping purposes.

We hope this letter better assists you and the state in understanding our position, and hopefully you and the state will agree with our position. Thank you very much for your assistance and please contact us should you have any questions.

Sincerely,



Eric T. Ishida
Owner



Grace M. Ishida
Owner